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UNITED STATES OF AMERICA
11

12 UNITED STATES DISTRICT COURT

13 FOR THE CENTRAL DISTRICT OF CALIFORNIA

14 UNITED STATES OF AMERICA,

15 Plaintiff,

16 v.

17 SATORI RECOVERY CENTER LLC,

18 Defendant.
19

No. 8:24-CR-106-JWH

PLEA AGREEMENT FOR DEFENDANT
SATORI RECOVERY CENTER LLC

20 1. This constitutes the plea agreement between SATORI RECOVERY
21 CENTER LLC ("Satori" or "defendant"), and the United States
22 Attorney's Office for the Central District of California (the "USAO")
23 in the above-captioned case. This agreement is limited to the USAO
24 and cannot bind any other federal, state, local, or foreign
25 prosecuting, enforcement, administrative, or regulatory authorities.

26 DEFENDANT'S OBLIGATIONS

27 2. Defendant agrees to:
28

1 a. Give up the right to indictment by a grand jury and,
2 at the earliest opportunity requested by the USAO and provided by the
3 Court, appear and plead guilty to a single count information in the
4 form attached to this agreement as Exhibit A or a substantially
5 similar form, which charges defendant with conspiracy to commit an
6 offense against the United States, in violation of Title 18 of the
7 United States Code, section 371.

8 b. Not contest facts agreed to in this agreement.

9 c. Abide by all agreements regarding sentencing contained
10 in this agreement.

11 d. Appear for all court appearances and obey any other
12 ongoing court order in this matter.

13 e. Not commit any crime; however, offenses that would be
14 excluded for sentencing purposes under United States Sentencing
15 Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not
16 within the scope of this agreement.

17 f. Be truthful at all times with the United States
18 Probation and Pretrial Services Office and the Court.

19 g. Pay the applicable special assessment at or before the
20 time of sentencing unless defendant has demonstrated a lack of
21 ability to pay such assessment.

22 h. Recommend that defendant be sentenced to pay a fine
23 within the applicable Sentencing Guidelines range and not seek,
24 argue, or suggest in any way, either orally or in writing, that the
25 Court impose a fine below the applicable Guidelines range.

26 THE USAO'S OBLIGATIONS

27 3. The USAO agrees to:

28 a. Not contest facts agreed to in this agreement.

1 ORGANIZATIONAL CHANGES AND APPLICABILITY

2 5. This agreement shall bind defendant, its successor entities
3 (if any), parent companies, and any other person or entity that
4 assumes the liabilities contained herein ("successors-in-interest").
5 Defendant, or its successors-in-interest, if applicable, shall
6 provide the USAO and the United States Probation and Pretrial
7 Services Office for the Central District of California with immediate
8 notice of any name change, business reorganization, sale or purchase
9 of assets, divestiture of assets, or similar action impacting their
10 ability to pay the fine or comply with any forfeiture obligations or
11 otherwise affecting this agreement. No change in name, change in
12 corporate or individual control, business reorganization, change in
13 ownership, merger, change of legal status, sale or purchase of
14 assets, or similar action shall alter defendant's responsibilities
15 under this agreement. Defendant shall not engage in any action to
16 seek to avoid the obligations and conditions set forth in this
17 agreement.

18 NATURE OF THE OFFENSE

19 6. Defendant understands that for defendant to be guilty of
20 the crime charged in the single count information, that is,
21 conspiracy to commit an offense against the United States, in
22 violation of Title 18, United States Code, Section 371, the following
23 must be true: (1) beginning in May 2017, and ending on or about
24 November 15, 2018, there was an agreement between two or more persons
25 to commit at least one crime as charged in the information; (2) the
26 defendant became a member of the conspiracy knowing of at least one
27 of its objects and intending to help accomplish it; and (3) one of
28

1 the conspirators performed at least one overt act for the purpose of
2 carrying out the conspiracy.

3 7. In order for a defendant to be guilty of the object of the
4 conspiracy, that is, the use of an interstate facility in aid of
5 bribery, in violation of Title 18, United States Code, Section
6 1952(a)(3) (the "Travel Act"), the following must be true: (1) a
7 person used the mail or a facility of interstate commerce with the
8 intent to promote, manage, establish, or carry on, or facilitate the
9 promotion, management, establishment, or carrying on of, unlawful
10 activity, specifically, the payment and/or receipt of kickbacks in
11 violation of California Insurance Code § 750, and (2) after doing so,
12 the person performed or attempted to perform an act to promote,
13 manage, establish, or carry on, or facilitate the promotion,
14 management, establishment, or carrying on of, such unlawful activity.

15 PENALTIES

16 8. Defendant understands that the statutory maximum sentence
17 that the Court can impose for a violation of Title 18, United States
18 Code, Section 371, is: five years' probation; a fine of \$500,000 or
19 twice the gross gain or gross loss resulting from the offense,
20 whichever is greatest; and a mandatory special assessment of \$400.

21 SUSPENSION, REVOCATION, AND DEBARMENT

22 9. Defendant understands that if defendant holds any
23 regulatory licenses or permits, the conviction in this case may
24 result in the suspension or revocation of those licenses and permits.
25 The USAO makes no representation or promise concerning suspension or
26 debarment of defendant from contracting with the United States or
27 with any office, agency, or department thereof. Suspension and
28 debarment of organizations convicted under various federal

1 environmental protection and criminal statutes is a discretionary
2 administrative action solely within the authority of the federal
3 contracting agencies. Defendant understands that unanticipated
4 collateral consequences such as this will not serve as grounds to
5 withdraw defendant's guilty plea.

6 FACTUAL BASIS

7 10. Defendant admits that defendant is, in fact, guilty of the
8 offense to which defendant is agreeing to plead guilty. Defendant
9 and the USAO agree to the statement of facts provided below and agree
10 that this statement of facts is sufficient to support a plea of
11 guilty to the charge described in this agreement and to establish the
12 Sentencing Guidelines factors set forth in paragraph 12 below but is
13 not meant to be a complete recitation of all facts relevant to the
14 underlying criminal conduct or all facts known to either party that
15 relate to that conduct.

16 Satori is a limited liability corporation based in Orange
17 County, California. Beginning no later than May 2017 and continuing
18 to at least March 24, 2019, Satori operated an alcohol and drug
19 treatment facility, also in Orange County. As part of its business,
20 Satori submitted claims to insurance companies for patients'
21 treatment. Under California Insurance Code Section 750, Satori was
22 prohibited from paying money for patient referrals.

23 Between May 2017 and ending on or about March 24, 2019, Satori,
24 acting through its owners and employees, entered into a conspiracy to
25 violate the Travel Act by agreeing to pay third party companies
26 ("patient brokers") for patient referrals to its treatment facility.
27 In so doing, Satori entered into an agreement to violate a law of the
28 United States (namely, the Travel Act) as charged in the information.

1 Satori knew of at least one of the objects of this conspiracy and
2 intended to help accomplish it. Also, on or after May 2017, Satori
3 performed at least one overt act for the purpose of carrying out this
4 conspiracy. Specifically, on multiple occasions, Satori knowingly
5 and willfully paid referral fees to patient brokers after patients
6 stayed at Satori for a period of time and received treatment, for
7 which services Satori billed and was reimbursed by insurers. Satori
8 falsely characterized these fees as "marketing" payments when, in
9 reality and as Satori well knew, Satori was paying patient brokers
10 referral fees for bringing Satori a specific number of patients.
11 Satori paid approximately \$100,000 in referral fees for patients, and
12 Satori knew that these kickbacks were illegal. In so doing, Satori
13 performed an act to promote and facilitate the carrying on of an
14 unlawful activity, namely, the payment of kickbacks in violation of
15 California Insurance Code Section 750.

16 As part of its agreement to violate the Travel Act, Satori used
17 the mail and a facility of interstate commerce with the intent to
18 facilitate the payment and receipt of the illegal kickbacks.
19 Defendant performed several acts, as detailed below, that facilitated
20 the carrying on of the unlawful kickback scheme.

21 In furtherance of the conspiracy, on June 15, 2017, a
22 representative of Satori sent a text message to a representative of a
23 third party company, Patient Broker A, and discussed patient
24 referrals. On June 26, 2017, Satori and Patient Broker A entered
25 into a sham marketing agreement that purported to pay \$25,000 per
26 month to Patient Broker A. Satori knew the contract did not reflect
27 their true arrangement. Satori created the contract to cover up
28 kickback payments from Satori to Patient Broker A. On June 30, 2017,

1 Satori issued a payment in the amount of \$12,500 made via check
 2 numbered 1340 to Patient Broker A that was a kickback payment for
 3 patient referrals.

4 SENTENCING FACTORS

5 11. Defendant understands that in determining defendant's
 6 sentence the Court is required to calculate the applicable Sentencing
 7 Guidelines range and to consider that range, possible departures
 8 under the Sentencing Guidelines, and the other sentencing factors set
 9 forth in 18 U.S.C. § 3553(a). Defendant understands that the
 10 Sentencing Guidelines are advisory only, that defendant cannot have
 11 any expectation of receiving a sentence within the calculated
 12 Sentencing Guidelines range, and that after considering the
 13 Sentencing Guidelines and the other § 3553(a) factors, the Court will
 14 be free to exercise its discretion to impose any sentence it finds
 15 appropriate up to the maximum set by statute for the crime of
 16 conviction.

17 12. Defendant and the USAO agree to the following applicable
 18 Sentencing Guidelines factors:

19 Offense Level and Base Fine Under U.S.S.G. §§ 8C2.1, 8C2.3, 8C2.4

20 Base Offense Level:	8	U.S.S.G. § 2B4.1(a)
21 Kickback Amount:	+8	U.S.S.G. § 2B4.1(b) (1)
22 Total Offense Level:	16	

23 Culpability Score and Fine Multiplier Under U.S.S.G. §§ 8C2.5, 8C2.6

24 Base points:	5	U.S.S.G. § 8C2.5(a)
25 Acceptance:	-2	U.S.S.G. § 8C2.5(g) (2)
26 Total Culpability Score:	3	
27 Fine Multiplier:	0.6-1.2	U.S.S.G. § 8C2.6

1 Defendant and the USAO reserve the right to argue that additional
2 specific offense characteristics, adjustments, and departures under
3 the Sentencing Guidelines are appropriate.

4 13. Defendant and the USAO reserve the right to argue for a
5 sentence outside the sentencing range established by the Sentencing
6 Guidelines based on the factors set forth in 18 U.S.C. § 3553(a)(1),
7 (a)(2), (a)(3), (a)(6), and (a)(7).

8 WAIVER OF CONSTITUTIONAL RIGHTS

9 14. Defendant understands that by pleading guilty, defendant
10 gives up the following rights:

11 a. The right to persist in a plea of not guilty.

12 b. The right to a speedy and public trial by jury.

13 c. The right to be represented by counsel at trial.

14 Defendant understands, however, that, defendant retains the right to
15 be represented by counsel at every other stage of the proceeding.

16 d. The right to be presumed innocent and to have the
17 burden of proof placed on the government to prove defendant guilty
18 beyond a reasonable doubt.

19 e. The right to confront and cross-examine witnesses
20 against defendant.

21 f. The right to testify and to present evidence in
22 opposition to the charge, including the right to compel the
23 attendance of witnesses to testify.

24 g. Any and all rights to pursue any affirmative defenses,
25 Fourth Amendment claims, and other pretrial motions that have been
26 filed or could be filed.

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WAIVER OF STATUTE OF LIMITATIONS

15. Having been fully advised by defendant's attorney regarding application of the statute of limitations to the offense to which defendant is pleading guilty, defendant hereby knowingly, voluntarily, and intelligently waives, relinquishes, and gives up: (a) any right that defendant might have not to be prosecuted for the offense to which defendant is pleading guilty because of the expiration of the statute of limitations for that offense prior to the filing of the information alleging that offense; and (b) any defense, claim, or argument defendant could raise or assert that prosecution of the offense to which defendant is pleading guilty is barred by the expiration of the applicable statute of limitations, pre-indictment delay, or any speedy trial violation.

WAIVER OF APPEAL OF CONVICTION

16. Defendant understands that, with the exception of an appeal based on a claim that defendant's guilty plea was involuntary, by pleading guilty defendant is waiving and giving up any right to appeal defendant's conviction on the offense to which defendant is pleading guilty. Defendant understands that this waiver includes, but is not limited to, arguments that the statute to which defendant is pleading guilty is unconstitutional, and any and all claims that the statement of facts provided herein is insufficient to support defendant's plea of guilty.

WAIVER OF APPEAL OF SENTENCE AND COLLATERAL ATTACK

17. Defendant agrees that, provided the Court imposes a total fine on the count of conviction of no more than \$500,000, defendant gives up the right to appeal all of the following: (a) the procedures and calculations used to determine and impose any portion of the

1 sentence; (b) the fine imposed by the Court, provided it is within
2 the statutory maximum; (c) to the extent permitted by law, the
3 constitutionality or legality of defendant's sentence, provided it is
4 within the statutory maximum; (d) the term of probation imposed by
5 the Court, provided it is within the statutory maximum; and (f) any
6 of the following conditions of probation imposed by the Court: the
7 conditions set forth in Second Amended General Order 20-04 of this
8 Court.

9 18. Defendant also gives up any right to bring a post-
10 conviction collateral attack on the conviction or sentence, except a
11 post-conviction collateral attack based on a claim of ineffective
12 assistance of counsel, a claim of newly discovered evidence, or an
13 explicitly retroactive change in the applicable Sentencing
14 Guidelines, sentencing statutes, or statutes of conviction.
15 Defendant understands that this waiver includes, but is not limited
16 to, arguments that the statutes to which defendant is pleading guilty
17 are unconstitutional, and any and all claims that the statement of
18 facts provided herein is insufficient to support defendant's plea of
19 guilty.

20 19. This agreement does not affect in any way the right of the
21 USAO to appeal the sentence imposed by the Court.

22 RESULT OF WITHDRAWAL OF GUILTY PLEA

23 20. Defendant agrees that if, after entering a guilty plea
24 pursuant to this agreement, defendant seeks to withdraw and succeeds
25 in withdrawing defendant's guilty plea on any basis other than a
26 claim and finding that entry into this plea agreement was
27 involuntary, then (a) the USAO will be relieved of all of its
28 obligations under this agreement; and (b) should the USAO choose to

1 pursue any charge that was either dismissed or not filed as a result
2 of this agreement, then (i) any applicable statute of limitations
3 will be tolled between the date of defendant's signing of this
4 agreement and the filing commencing any such action; and
5 (ii) defendant waives and gives up all defenses based on the statute
6 of limitations, any claim of pre-indictment delay, or any speedy
7 trial claim with respect to any such action, except to the extent
8 that such defenses existed as of the date of defendant's signing this
9 agreement.

10 EFFECTIVE DATE OF AGREEMENT

11 21. This agreement is effective upon signature and execution of
12 all required certifications by defendant, defendant's counsel, and an
13 Assistant United States Attorney.

14 BREACH OF AGREEMENT

15 22. Defendant agrees that if defendant, at any time after the
16 signature of this agreement and execution of all required
17 certifications by defendant, defendant's counsel, and an Assistant
18 United States Attorney, knowingly violates or fails to perform any of
19 defendant's obligations under this agreement ("a breach"), the USAO
20 may declare this agreement breached. All of defendant's obligations
21 are material, a single breach of this agreement is sufficient for the
22 USAO to declare a breach, and defendant shall not be deemed to have
23 cured a breach without the express agreement of the USAO in writing.
24 If the USAO declares this agreement breached, and the Court finds
25 such a breach to have occurred, then: (a) if defendant has previously
26 entered a guilty plea pursuant to this agreement, defendant will not
27 be able to withdraw the guilty plea, and (b) the USAO will be
28 relieved of all its obligations under this agreement.

1 23. Following the Court's finding of a knowing breach of this
2 agreement by defendant, should the USAO choose to pursue any charge
3 that was either dismissed or not filed as a result of this agreement,
4 then:

5 a. Defendant agrees that any applicable statute of
6 limitations is tolled between the date of defendant's signing of this
7 agreement and the filing commencing any such action.

8 b. Defendant waives and gives up all defenses based on
9 the statute of limitations, any claim of pre-indictment delay, or any
10 speedy trial claim with respect to any such action, except to the
11 extent that such defenses existed as of the date of defendant's
12 signing this agreement.

13 c. Defendant agrees that: (i) any statements made by
14 defendant, under oath, at the guilty plea hearing (if such a hearing
15 occurred prior to the breach); (ii) the agreed to factual basis
16 statement in this agreement; and (iii) any evidence derived from such
17 statements, shall be admissible against defendant in any such action
18 against defendant, and defendant waives and gives up any claim under
19 the United States Constitution, any statute, Rule 410 of the Federal
20 Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal
21 Procedure, or any other federal rule, that the statements or any
22 evidence derived from the statements should be suppressed or are
23 inadmissible.

24 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

25 OFFICE NOT PARTIES

26 24. Defendant understands that the Court and the United States
27 Probation and Pretrial Services Office are not parties to this
28 agreement and need not accept any of the USAO's sentencing

1 recommendations or the parties' agreements to facts or sentencing
2 factors.

3 25. Defendant understands that both defendant and the USAO are
4 free to: (a) supplement the facts by supplying relevant information
5 to the United States Probation and Pretrial Services Office and the
6 Court, (b) correct any and all factual misstatements relating to the
7 Court's Sentencing Guidelines calculations and determination of
8 sentence, and (c) argue on appeal and collateral review that the
9 Court's Sentencing Guidelines calculations and the sentence it
10 chooses to impose are not error, although each party agrees to
11 maintain its view that the calculations in paragraph 12 are
12 consistent with the facts of this case. While this paragraph permits
13 both the USAO and defendant to submit full and complete factual
14 information to the United States Probation and Pretrial Services
15 Office and the Court, even if that factual information may be viewed
16 as inconsistent with the facts agreed to in this agreement, this
17 paragraph does not affect defendant's and the USAO's obligations not
18 to contest the facts agreed to in this agreement.

19 26. Defendant understands that even if the Court ignores any
20 sentencing recommendation, finds facts or reaches conclusions
21 different from those agreed to, and/or imposes any sentence up to the
22 maximum established by statute, defendant cannot, for that reason,
23 withdraw defendant's guilty plea, and defendant will remain bound to
24 fulfill all defendant's obligations under this agreement. Defendant
25 understands that no one -- not the prosecutor, defendant's attorney,
26 or the Court -- can make a binding prediction or promise regarding
27 the sentence defendant will receive, except that it will be within
28 the statutory maximum.

NO ADDITIONAL AGREEMENTS

27. Defendant understands that, except as set forth herein, there are no promises, understandings, or agreements between the USAO and defendant or defendant's attorney, and that no additional promise, understanding, or agreement may be entered into unless in a writing signed by all parties or on the record in court.

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PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

28. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF
CALIFORNIA

E. MARTIN ESTRADA
United States Attorney



SARAH E. SPIELBERGER
Assistant United States Attorney

June 7, 2024


Date



CHARLES L. KREINDLER
Authorized Representative of
Defendant Satori Recovery Center
LLC

6/3/24

Date




CHARLES L. KREINDLER
Attorney for Defendant Satori
Recovery Center LLC

6/3/24

Date

CERTIFICATION OF DEFENDANT

I have been authorized by Satori Recovery Center LLC to enter into this agreement on its behalf. I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with Satori Recovery Center LLC's attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence with Satori Recovery Center LLC's attorney, and Satori Recovery Center LLC's attorney has advised me of Satori Recovery Center LLC's rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. §§ 3553(a) and 3572, of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. No promises, inducements, or representations of any kind have been made to me or Satori Recovery LLC other than those contained in this agreement. No one has threatened or forced me or Satori Recovery Center LLC in any way to enter into this agreement. I am satisfied with the representation of Satori Recovery Center LLC's attorney in this matter, and Satori Recovery Center LLC is pleading guilty because it is guilty of the charge and wishes to take advantage of the promises set forth in this agreement, and not for any other reason.



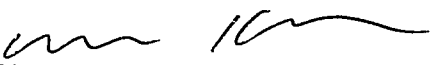
CHARLES L. KREINDLER
Authorized Representative of
Defendant Satori Recovery Center
LLC

6/2/24

Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am Satori Recovery Center LLC's attorney. I have carefully and thoroughly discussed every part of this agreement with my client through its authorized representative. Further, I have fully advised my client of its rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. §§ 3553(a) and 3572, of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of a guilty plea pursuant to this agreement.



CHARLES L. KREINDLER
Attorney for Defendant Satori
Recovery Center LLC

6/3/24

Date